

SCHEDULE F
(Form 1040)

Department of the Treasury
Internal Revenue Service



Farm Income and Expenses

Attach to Form 1040, Form 1041, or Form 1065.
See Instructions for Schedule F (Form 1040).

OMB No. 1545-0074

1985
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Name of proprietor(s)	Social security number (SSN)
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A Agricultural Activity Code. (Write in the code that best describes your principal income-producing activity. The codes are listed on page 2 of this schedule.)	B Principal Product. (Describe in one or two words your principal crop or output for the current tax year.)
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If you disposed of commodities received under the payments-in-kind (PIK) program, check the box(es) that apply: ☐ Feed for livestock ☐ Sold and reported in income	Employer ID number (NOT SSN)
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Part I Farm Income—Cash Method—Complete Parts I and II

(Accrual method taxpayers complete Parts II and III, and line 12 of Part I.)

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.

1	Sales of livestock and other items you bought for resale	1	
2	Cost or other basis of livestock and other items you bought for resale	2	
3	Subtract line 2 from line 1	3	
4	Sales of livestock, produce, grains, and other products you raised	4	
5 a	Total distributions received from cooperatives (from Form 1099-PATR)	5a	
b	Less: Nonincome items	5b	
6	Net distributions. Subtract line 5b from line 5a	6	
7	Agricultural program payments:		
a	Cash	7a	
b	Materials and services	7b	
8	Commodity credit loans under election (or forfeited).	8	
9	Crop insurance proceeds	9	
10	Machine work	10	
11	Other income, including Federal and state gasoline tax credit or refund (see instructions).	11	
12	Gross income. Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 52	12	

Part II Farm Deductions—Cash and Accrual Method

Do not include personal or living expenses (such as taxes, insurance, repairs, etc. on your home), which do not produce farm income. Reduce the amount of your farm deductions by any reimbursements before entering the deduction below.

13	Breeding fees	26	Mortgage interest paid to financial institutions (see instructions)
14	Chemicals	27	Other interest
15	Conservation expenses	28	Pension and profit-sharing plans
16	Depreciation, and section 179 expense deduction (from Form 4562)	29	Rent of farm, pasture
17	Employee benefit programs other than on line 28.	30	Repairs, maintenance
18	Feed purchased	31	Seeds, plants purchased
19	Fertilizers and lime	32	Storage, warehousing
20	Freight, trucking	33	Supplies purchased
21	Gasoline, fuel, oil	34	Taxes.
22	Insurance	35	Utilities
23 a	Labor hired	36	Veterinary fees, medicine
b	Jobs credit	37	Other expenses (specify):
		a	

1	Sales of livestock and other items you bought for resale		1	
2	Cost or other basis of livestock and other items you bought for resale		2	
3	Subtract line 2 from line 1		3	
4	Sales of livestock, produce, grains, and other products you raised		4	
5	a Total distributions received from cooperatives (from Form 1099-PATR)	5a		
	b Less: Nonincome items	5b		
6	Net distributions. Subtract line 5b from line 5a		6	
7	Agricultural program payments:			
	a Cash		7a	
	b Materials and services		7b	
8	Commodity credit loans under election (or forfeited).		8	
9	Crop insurance proceeds		9	
10	Machine work		10	
11	Other income, including Federal and state gasoline tax credit or refund (see instructions).		11	
12	Gross income. Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 52		12	

Part II Farm Deductions—Cash and Accrual Method

Do not include personal or living expenses (such as taxes, insurance, repairs, etc. on your home), which do not produce farm income. Reduce the amount of your farm deductions by any reimbursements before entering the deduction below.

13	Breeding fees		26	Mortgage interest paid to financial institutions (see instructions)	
14	Chemicals		27	Other interest	
15	Conservation expenses		28	Pension and profit-sharing plans	
16	Depreciation, and section 179 expense deduction (from Form 4562)		29	Rent of farm, pasture	
17	Employee benefit programs other than on line 28.		30	Repairs, maintenance	
18	Feed purchased		31	Seeds, plants purchased	
19	Fertilizers and lime		32	Storage, warehousing	
20	Freight, trucking		33	Supplies purchased	
21	Gasoline, fuel, oil		34	Taxes.	
22	Insurance		35	Utilities	
23	a Labor hired		36	Veterinary fees, medicine	
	b Jobs credit		37	Other expenses (specify):	
	c Balance (subtract line 23b from line 23a)		a	-----	
24	Land clearing (see instructions)		b	-----	
25	Machine hire		c	-----	
			d	-----	
			e	-----	
38	Total deductions from Part II. Add amounts in columns for lines 13 through 37e		38		
39	Net farm profit or (loss) (subtract line 38 from line 12). If a profit, enter on Form 1040, line 19, and on Schedule SE, Part I, line 1. If a loss, you MUST go on to line 40. (Fiduciaries and partnerships, see the instructions.)		39		

40 If you have a loss, you **MUST** answer this question:
 "Do you have amounts for which you are not at risk in this farm (see instructions)?" ☐ Yes ☐ No
 If "Yes," you **MUST** attach **Form 6198**. If "No," enter the loss on Form 1040, line 19, and on Schedule SE, Part I, line 1.

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule F (Form 1040) 1985

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service

Computation of Social Security Self-Employment Tax

▶ See Instructions for Schedule SE (Form 1040).
▶ Attach to Form 1040.

OMB No. 1545-0074

1985
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Name of self-employed person (as shown on social security card)

Social security number of
self-employed person ▶

Part I Regular Computation of Net Earnings From Self-Employment

Note: If you performed services for certain churches or church-controlled organizations and you are not a minister or a member of a religious order, see the instructions.

- 1 Net farm profit or (loss) from Schedule F (Form 1040), line 39, and farm partnerships, Schedule K-1 (Form 1065), line 13a
- 2 Net profit or (loss) from Schedule C (Form 1040), line 33, Schedule K-1 (Form 1065), line 13a (other than farming), and Form W-2 wages of \$100 or more from an electing church or church-controlled organization. (See instructions for other income to report.)

Note: ☐ Check here if you are **exempt** from self-employment tax on your earnings as a minister, member of a religious order, or Christian Science practitioner because you filed **Form 4361**.
See instructions for kinds of income to report. If you have other earnings of \$400 or more that are subject to self-employment tax, include those earnings on line 2.

Part II Optional Computation of Net Earnings From Self-Employment
(See "Who Can Use Schedule SE")

- Generally, this part may be used **only** if you meet any of the following tests:
- A Your gross farm income (Schedule F (Form 1040), line 12) was not more than \$2,400; or
 - B Your gross farm income (Schedule F (Form 1040), line 12) was more than \$2,400 and your net farm profits (Schedule F (Form 1040), line 39) were less than \$1,600; or
 - C Your net nonfarm profits (Schedule C (Form 1040), line 33) were less than \$1,600 and also less than two-thirds ($\frac{2}{3}$) of your gross nonfarm income (Schedule C (Form 1040), line 5).
- See instructions for other limitations.

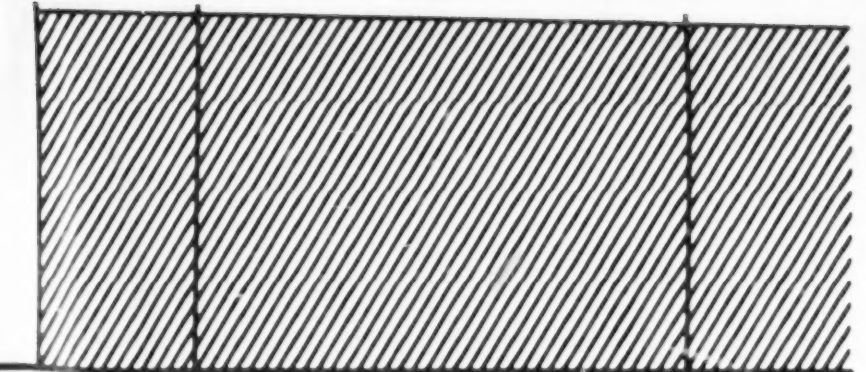
3	Maximum income for optional methods	3	\$1,600	00
4	Farm Optional Method—If you meet test A or B above, enter: the smaller of two-thirds ($\frac{2}{3}$) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 13b; or \$1,600	4		
5	Subtract line 4 from line 3	5		
6	Nonfarm Optional Method—If you meet test C above, enter: the smallest of two-thirds ($\frac{2}{3}$) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 13c (other than farming); or \$1,600; or, if you elected the farm optional method, the amount on line 5	6		

Part III Computation of Social Security Self-Employment Tax

7	Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4	7		
8	Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6	8		
9	Add lines 7 and 8. If less than \$400, do not fill in the rest of the schedule because you are not subject to self-employment tax. (Exception: If this line is less than \$400 and you are an employee of an electing church or church-controlled organization, complete the schedule unless this line is a loss. See instructions.)	9		
10	The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (Tier 1) for 1985 is	10	\$39,600	00
11 a	Total social security wages and tips from Forms W-2 and railroad retirement compensation (Tier 1). Note: U.S. Government employees whose wages are only subject to the 1.35% hospital insurance benefits tax (Medicare) and employees of certain church or church-controlled organizations should not			

organization (see instructions for other income to report).

Note: ☐ Check here if you are **exempt** from self-employment tax on your earnings as a minister, member of a religious order, or Christian Science practitioner because you filed **Form 4361**. See instructions for kinds of income to report. If you have other earnings of \$400 or more that are subject to self-employment tax, include those earnings on line 2.



Part II **Optional Computation of Net Earnings From Self-Employment**
(See "Who Can Use Schedule SE")

Generally, this part may be used **only** if you meet any of the following tests:

- A** Your gross farm income (Schedule F (Form 1040), line 12) was not more than \$2,400; or
- B** Your gross farm income (Schedule F (Form 1040), line 12) was more than \$2,400 and your net farm profits (Schedule F (Form 1040), line 39) were less than \$1,600; or
- C** Your net nonfarm profits (Schedule C (Form 1040), line 33) were less than \$1,600 and also less than two-thirds ($\frac{2}{3}$) of your gross nonfarm income (Schedule C (Form 1040), line 5).
- See instructions for other limitations.

3 Maximum income for optional methods	3	\$1,600	00
4 Farm Optional Method—If you meet test A or B above, enter: the smaller of two-thirds ($\frac{2}{3}$) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 13b; or \$1,600	4		
5 Subtract line 4 from line 3	5		
6 Nonfarm Optional Method—If you meet test C above, enter: the smallest of two-thirds ($\frac{2}{3}$) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 13c (other than farming); or \$1,600; or, if you elected the farm optional method, the amount on line 5	6		

Part III **Computation of Social Security Self-Employment Tax**

7 Enter the amount from Part I, line 1, or, if you elected the farm optional method, Part II, line 4	7		
8 Enter the amount from Part I, line 2, or, if you elected the nonfarm optional method, Part II, line 6	8		
9 Add lines 7 and 8. If less than \$400, do not fill in the rest of the schedule because you are not subject to self-employment tax. (Exception: If this line is less than \$400 and you are an employee of an electing church or church-controlled organization, complete the schedule unless this line is a loss. See instructions.)	9		
10 The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement tax (Tier 1) for 1985 is	10	\$39,600	00
11 a Total social security wages and tips from Forms W-2 and railroad retirement compensation (Tier 1). Note: U.S. Government employees whose wages are only subject to the 1.35% hospital insurance benefits tax (Medicare) and employees of certain church or church-controlled organizations should not include those wages on this line (see instructions)	11a		
b Unreported tips subject to social security tax from Form 4137, line 9, or to railroad retirement tax (Tier 1)	11b		
c Add lines 11a and 11b	11c		
12 a Subtract line 11c from line 10.	12a		
b Enter your "qualified" U.S. Government wages if you are required to use the worksheet in Part III of the instructions. 12b			
c Enter your Form W-2 wages from an electing church or church-controlled organization. 12c			
13 Enter the smaller of line 9 or line 12a	13		
If line 13 is \$39,600, fill in \$4,672.80 on line 14. Otherwise, multiply line 13 by .118 and enter the result on line 14		.118	
14 Self-employment tax. Enter this amount on Form 1040, line 51	14		

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 1985